



**DETROIT CITY COUNCIL – DISTRICT 5
OFFICE OF COUNCIL MEMBER
MARY SHEFFIELD**



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Statement of Opposition to the Great Lakes Regional Water Authority

Let me start by saying I have much respect for, and give much credit to, our Mayor for his hard work and commitment to finding a solution to fixing our water system. I do believe, based on what has been presented to me thus far, it has been a step in the right direction.

This, I can honestly say, has been the most challenging vote for me in my time on council. I understand the need for improvements but it is equally important for Detroiters to maintain a level of self-determination over City assets. While I acknowledge the need to address the crumbling infrastructure of the Detroit Water and Sewerage Department (DWSD), I am also compelled to attest to the system's distinction as one of the best in the world.

The most challenging part has been the ability to make this historical decision with proper due diligence in just 10 days. All other parties that were involved in this proposal were given until October 10th. By admission of proponents of the GLRWA, this is a historical and difficult decision, which took months to negotiate. With that said, the proposal has only been before City Council for a week. The Council has not been afforded the appropriate amount of time to thoroughly analyze the proposal, not to mention determine if there are feasible and more favorable alternatives - which is the least the people of Detroit deserve. I am here to make the best most informed decision. At this moment, there are still concerns that have not been addressed.

Before considering the merits of the proposal, it has been really hard for me to get past the legality of the vote. The Charter of the City Detroit, as well as the Michigan Constitution, *prohibits the franchise of any public utility, which is not subject to revocation at the will of the City Council, unless the proposition is first approved by three-fifths (3/5) of city voters voting on the question at a regular or special election.* While the Constitution does not explicitly include water in the description of public utilities, it also doesn't specifically *exclude* water as a utility either. As with any law or constitution, its contents are subject to interpretation. Having received conflicting opinions by legal authorities, I am of the opinion the matter needs to go before the voters of Detroit for approval as it would in the absence of an Emergency Manager or the enabling EM law which was overwhelmingly opposed by Detroiters.

The following are other serious concerns I have:

Financial Considerations for the Franchise – Some of the revenue promises are misleading and not nearly as generous as they sound. The \$50 million lease payment from the Authority is not really an entirely new revenue stream as claimed, and roughly \$20 million of that will be coming directly from Detroit. Consequently, City Council has not been provided with details of how much revenue is currently derived from the lines to be leased to the authority. Finally, the potential revenue generated by the GLRWA under the lease is unclear and undisclosed.

Ownership Fee is Frozen – The \$26.2 million ownership fee from the surrounding suburbs will be frozen throughout the life of the lease, not allowing it to increase with inflation. This is particularly disconcerting because the value of this fee would significantly increase over the life of the lease. However, there are

provisions for rates to increase accounting for inflation.

Transparency and Due Diligence – The process of negotiating a deal for the regionalization of DWSD has been done behind closed doors and under a gag order. There has been little public education on this matter with information being released only days before a decision needed to be made.

Not Clear on Privatization – It is clear that the majority of Detroit, as well as I, are against privatization of the water department. Proponents have stated that this regional authority will prevent the privatization of certain functions. However, there is language in the MOU that leads me to believe otherwise.

Informal Polling- I conducted an informal poll of District 5 residents which indicated that the deal is very unpopular in District 5. Nearly 3 to 1, respondents declared their opposition to the GLRWA.

According to the City's charter, *the people have a right to expect aggressive action by the City's officers in seeking to advance, conserve, maintain and protect the integrity of the human, physical and natural resources of this city from encroachment and/or dismantlement.* **I, for one, choose to honor the rights of Detroiters who elected me to serve.**

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Council Member Mary Sheffield represents the 5th District, which covers the lower eastside, downtown, the riverfront and central portions of Detroit. She is the chair of the Neighborhood and Community Services standing committee and a member of the Planning and Economic Development standing committee. She was first elected to office in 2013 and is the youngest person ever elected to City Council in the history of Detroit.